

## Article - Estates and Trusts

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§14.5–1002.

(a) In this section, “special needs trust” and “supplemental needs trust” include a trust funded by a trust beneficiary or by a third party.

(b) It is the policy of the State to encourage the use of a special needs trust or supplemental needs trust by an individual of any age with disabilities to preserve funds to provide for the needs of the individual not met by public benefits and to enhance quality of life.

(c) (1) Each State agency that provides public benefits to individuals of any age with disabilities through means–tested programs, including the Medical Assistance Program, shall adopt regulations that:

(i) Are not more restrictive than existing federal law, regulations, or policies with regard to the treatment of a special needs trust or supplemental needs trust, including a trust defined in 42 U.S.C. § 1396p(c)(2) and (d)(4);

(ii) Are not more restrictive than any State law regarding trusts, including any State law regarding the reasonable exercise of discretion by a trustee, guardian, or conservator in the best interests of the beneficiary; and

(iii) Do not require disclosure of a beneficiary’s personal or confidential information without the consent of the beneficiary.

(2) The regulations described in paragraph (1) of this subsection shall allow:

(i) An individual account in a pooled asset special needs trust to be funded without financial limit;

(ii) A fund in a special needs trust, supplemental needs trust, or pooled asset special needs trust to be used for the sole benefit of the beneficiary including, at the discretion of the trustee, distributions for food, shelter, utilities, and transportation;

(iii) An individual to establish or fund an individual account in a pooled asset special needs trust without an age limit or a transfer penalty;

(iv) An individual to fund a special needs trust or supplemental needs trust for the individual's child with disabilities without a transfer penalty and regardless of the child's age; and

(v) All legally assignable income or resources to be assigned to a special needs trust, supplemental needs trust, or pooled asset special needs trust without limit.

(3) Nothing in this subsection may be interpreted to require a court order to authorize the funding of or a disbursement from a special or supplemental needs trust.

(d) (1) A determination of the Internal Revenue Service regarding the nonprofit status of an organization operating a pooled asset special needs trust shall be sufficient to satisfy the nonprofit requirement of 42 U.S.C. § 1396p(d)(4)(C).

(2) A State agency may not impose additional requirements on an organization described in paragraph (1) of this subsection for the purpose of qualifying or disqualifying the organization from offering a pooled asset special needs trust.

(e) A regulation adopted by a State agency regarding pooled special needs trusts shall apply only to those trust beneficiaries who are State residents or who receive public benefits funded by the State.

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